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U.S RESERVE BANK ORGANIZATION COMMITTEE  
DETERMINING THE FEDERAL RESERVE DISTRICTS  
AND THE LOCATION OF FEDERAL RESERVE  
BANKS UNDER FEDERAL RESERVE ACT  
APPROVED DECEMBER 23, 1913

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APRIL 2, 1914  
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WITH STATEMENT OF THE COMMITTEE  
IN RELATION THERETO

\_\_\_\_\_  
APRIL 10, 1914  
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WASHINGTON  
GOVERNMENT PRINTING OFFICE  
1914

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**DECISION OF THE RESERVE BANK ORGANIZATION COMMITTEE DETERMINING THE FEDERAL RESERVE DISTRICTS AND THE LOCATION OF THE FEDERAL RESERVE BANKS.**

[Under the Federal Reserve Act approved December 23, 1913.]

The Federal Reserve Act directs the Reserve Bank Organization Committee to "designate not less than eight nor more than twelve cities to be known as Federal reserve cities"; to "divide the continental United States, excluding Alaska, into districts, each district to contain only one of such Federal reserve cities," and to apportion the districts "with due regard to the convenience and customary course of business." The act provides that the districts may not necessarily be coterminous with any State or States.

In determining the reserve districts and in designating the cities within such districts where Federal Reserve banks shall be severally located, the organization committee has given full consideration to the important factors bearing upon the subject. The committee held public hearings in eighteen of the leading cities from the Atlantic to the Pacific and from the Great Lakes to the Gulf, and was materially assisted thereby in determining the districts and the reserve cities.

Every reasonable opportunity has been afforded applicant cities to furnish evidence to support their claims as locations for Federal Reserve banks.

More than 200 cities, through their clearing-house associations, chambers of commerce, and other representatives, were heard. Of these, thirty-seven cities asked to be designated as the headquarters of a Federal Reserve bank.

The majority of the organization committee, including its chairman and the Secretary of Agriculture, were present at all hearings, and stenographic reports of the proceedings were made for more deliberate consideration. Independent investigations were, in addition, made through the Treasury Department, and the preference of each bank as to the location of the Federal Reserve bank with which it desired to be connected was ascertained by an independent card ballot addressed to each of the 7,475 national banks throughout the country which had formally assented to the provisions of the Federal reserve act.

Among the many factors which governed the committee in determining the respective districts and the selection of the cities which have been chosen were:

First. The ability of the member banks within the district to provide the minimum capital of \$4,000,000 required for the Federal

Reserve bank, on the basis of six per cent of the capital stock and surplus of member banks within the district.

Second. The mercantile, industrial, and financial connections existing in each district and the relations between the various portions of the district and the city selected for the location of the Federal Reserve bank.

Third. The probable ability of the Federal Reserve bank in each district, after organization and after the provisions of the Federal Reserve Act shall have gone into effect, to meet the legitimate demands of business, whether normal or abnormal, in accordance with the spirit and provisions of the Federal Reserve Act.

Fourth. The fair and equitable division of the available capital for the Federal Reserve banks among the districts created.

Fifth. The general geographical situation of the district, transportation lines, and the facilities for speedy communication between the Federal Reserve bank and all portions of the district.

Sixth. The population, area, and prevalent business activities of the district, whether agricultural, manufacturing, mining, or commercial, its record of growth and development in the past and its prospects for the future.

In determining the several districts the committee has endeavored to follow State lines as closely as practicable, and wherever it has been found necessary to deviate the division has been along lines which are believed to be most convenient and advantageous for the district affected.

The twelve Districts and the twelve Cities selected for the location of the Federal Reserve banks are as follows:

#### DISTRICT No. 1.

**The New England States: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut, with the city of Boston as the location of the Federal Reserve bank.**

This district contains 446 national banks which have accepted the provisions of the Federal Reserve act. The capital stock of the Federal Reserve Bank of Boston, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$9,931,740.

#### DISTRICT No. 2.

**The State of New York, with New York City as the location of the Federal Reserve bank.**

This district contains 478 national banks which have accepted the provisions of the Federal Reserve act. The capital stock of the Federal Reserve Bank of New York, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the

district, will amount to \$20,621,606; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$20,687,606.

#### DISTRICT No. 3.

**The States of New Jersey and Delaware and all that part of Pennsylvania located east of the western boundary of the following counties: McKean, Elk, Clearfield, Cambria, and Bedford, with the Federal Reserve bank in the city of Philadelphia.**

This district contains 800 national banks which have accepted the provisions of the Federal Reserve act. The capital stock of the Federal Reserve Bank of Philadelphia, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$12,980,412; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$12,993,013.

#### DISTRICT No. 4.

**The State of Ohio; all that part of Pennsylvania lying west of district No. 3; the counties of Marshall, Ohio, Brooke, and Hancock, in the State of West Virginia; and all that part of the State of Kentucky located east of the western boundary of the following counties: Boone, Grant, Scott, Woodford, Jessamine, Garrard, Lincoln, Pulaski, and McCreary; with the city of Cleveland, Ohio, as the location of the Federal Reserve bank.**

This district contains 724 national banks which have accepted the provisions of the Federal Reserve act. The capital stock of the Federal Reserve Bank of Cleveland, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$11,528,835; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$11,621,835.

#### DISTRICT No. 5.

**The District of Columbia, and the States of Maryland, Virginia, North Carolina, South Carolina, and all of West Virginia except the counties of Marshall, Ohio, Brooke, and Hancock, with the Federal Reserve bank located in the city of Richmond, Va.**

This district contains 475 national banks which have accepted the provisions of the Federal Reserve act. The capital stock of the Federal Reserve Bank of Richmond, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$6,303,869; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$6,543,281.

**DISTRICT No. 6.**

The States of Alabama, Georgia, and Florida; all that part of Tennessee located east of the western boundary of the following counties: Stewart, Houston, Wayne, Humphreys, and Perry; all that part of Mississippi located south of the northern boundary of the following counties: Issaquena, Sharkey, Yazoo, Kemper, Madison, Leake, and Neshoba; and all of the southeastern part of Louisiana located east of the western boundary of the following parishes: Pointe Coupee, Iberville, Assumption, and Terrebonne, with the city of Atlanta, Ga., as the location of the Federal Reserve bank.

This district contains 372 national banks which have accepted the provisions of the Federal Reserve act. The capital stock of the Federal Reserve Bank of Atlanta, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$4,641,416; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$4,702,781.

**DISTRICT No. 7.**

The State of Iowa; all that part of Wisconsin located south of the northern boundary of the following counties: Vernon, Sauk, Columbia, Dodge, Washington, and Ozaukee; all of the southern peninsula of Michigan, viz, that part east of Lake Michigan; all that part of Illinois located north of a line forming the southern boundary of the following counties: Hancock, Schuyler, Cass, Sangamon, Christian, Shelby, Cumberland, and Clark; and all that part of Indiana north of a line forming the southern boundary of the following counties: Vigo, Clay, Owen, Monroe, Brown, Bartholomew, Jennings, Ripley, and Ohio, with the Federal Reserve bank located in the city of Chicago, Ill.

This district contains 984 national banks which have accepted the provisions of the Federal Reserve act. The capital stock of the Federal Reserve Bank of Chicago, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$12,664,100; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$13,151,925.

**DISTRICT No. 8.**

The State of Arkansas, all that part of Missouri located east of the western boundary of the following counties: Harrison, Daveiss, Caldwell, Ray, Lafayette, Johnson, Henry, St. Clair, Cedar, Dade, Lawrence, and Barry; all that part of Illinois not included in district No. 7; all that part of Indiana not included in district No. 7; all that part of Kentucky not included in district No. 4; all that part of Tennessee not included in district No. 6; and all that part of Mississippi not included in district No. 6, with the city of St. Louis, Mo., as the location of the Federal Reserve bank.

This district contains 434 national banks which have accepted the provisions of the Federal Reserve act. The capital stock of the



Federal Reserve Bank of St. Louis, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$4,843,079; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$6,219,324.

**DISTRICT No. 9.**

**The States of Montana, North Dakota, South Dakota, Minnesota, all that part of Wisconsin not included in district No. 7, and all that part of Michigan not included in district No. 7, with the city of Minneapolis, Minn., as the location of the Federal Reserve bank.**

This district contains 687 national banks, which have accepted the provisions of the Federal Reserve act. The capital stock of the Federal Reserve Bank of Minneapolis, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$4,702,865.

**DISTRICT No. 10.**

**The States of Kansas, Nebraska, Colorado, and Wyoming, all that part of Missouri not included in district No. 8, all that part of Oklahoma north of a line forming the southern boundary of the following counties: Ellis, Dewey, Blaine, Canadian, Cleveland, Pottawatomie, Seminole, Okfuskee, McIntosh, Muskogee, and Sequoyah; and all that part of New Mexico north of a line forming the southern boundary of the following counties: McKinley, Sandoval, Santa Fe, San Miguel, and Union, with the city of Kansas City, Mo., as the location of the Federal Reserve bank.**

This district contains 835 national banks which have accepted the provisions of the Federal Reserve act. The capital stock of the Federal Reserve Bank of Kansas City, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$5,583,956; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$5,594,916.

**DISTRICT No. 11.**

**The State of Texas, all that part of New Mexico not included in district No. 10; all that part of Oklahoma not included in district No. 10; all that part of Louisiana not included in district No. 8; and the following counties in the State of Arizona: Pima, Graham, Greenlee, Cochise, and Santa Cruz, with the city of Dallas, Tex., as the location of the Federal Reserve bank.**

This district contains 726 national banks which have accepted the provisions of the Federal Reserve act. The capital stock of the Federal Reserve Bank of Dallas, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$5,520,187; and if there be added six per cent

of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$5,634,091.

**DISTRICT No. 12.**

**The States of California, Washington, Oregon, Idaho, Nevada, and Utah, and all that part of Arizona not included in district No. 11, with the city of San Francisco, Cal., as the location of the Federal Reserve bank.**

This district contains 514 national banks which have accepted the provisions of the Federal Reserve act. The capital stock of the Federal Reserve Bank of San Francisco, on the basis of six per cent of the total capital stock and surplus of the assenting national banks in the district, will amount to \$7,825,405; and if there be added six per cent of the capital stock and surplus of the State banks and trust companies which have applied for membership up to April 1, 1914, the total capital stock will be \$8,115,525.

The committee was impressed with the growth and development of the States of Idaho, Washington, and Oregon, but on the basis of six per cent of the capital stock and surplus of national banks and State banks and trust companies which have applied for membership, that section could not provide the \$4,000,000 minimum capital stock required by the law. With the continued growth of that region it is reasonable to expect that in a few years the capital and surplus of its member banks will be sufficient to justify the creation of an additional Federal Reserve district, at which time application may be made to the Congress for a grant of the necessary authority.

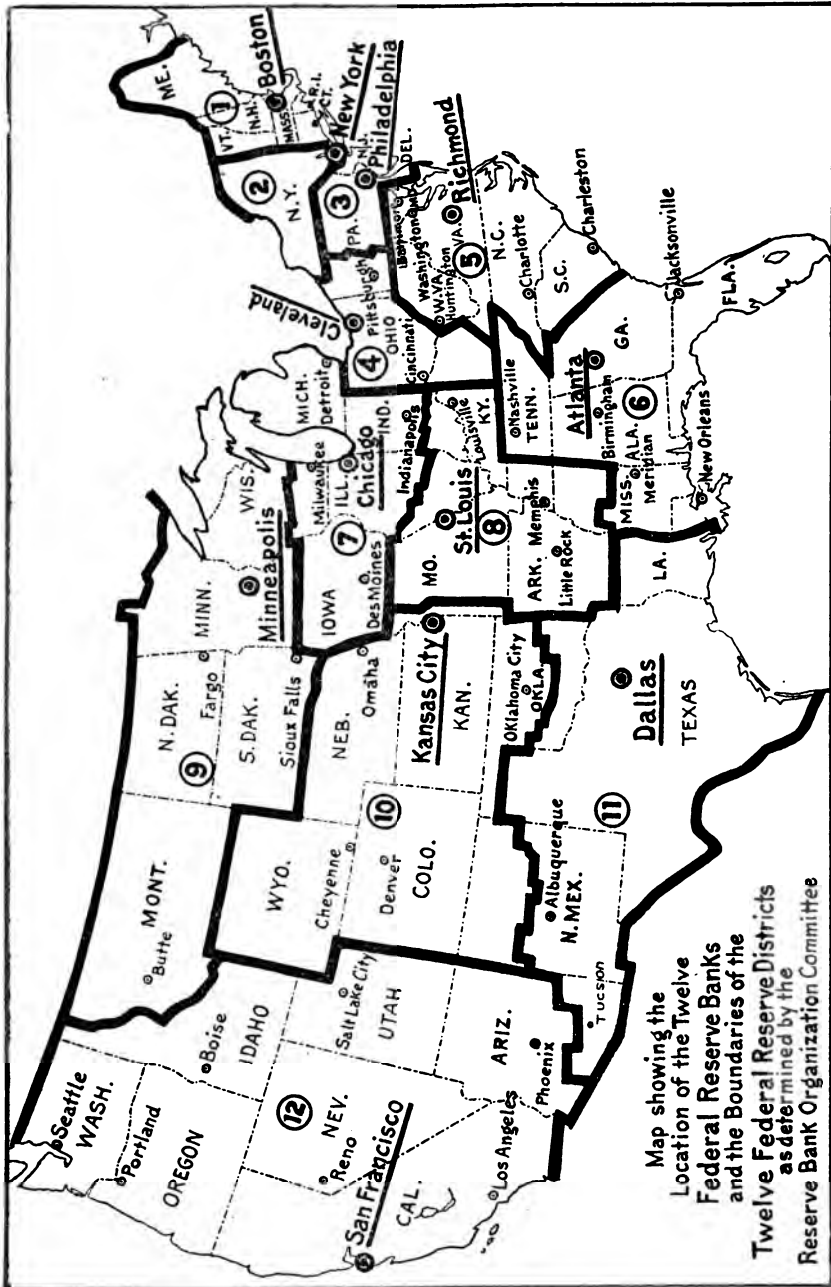
It is no part of the duty of the organization committee to locate branches of the Federal Reserve banks. The law specifically provides that "each Federal Reserve bank shall establish branch banks within the Federal Reserve district in which it is located." All the material collected by the committee will be placed at the disposal of the Federal Reserve banks and the Federal Reserve Board when they are organized and ready to consider the establishment of branch banks.

Reference is made to the Map of the Districts and to tables A, B, C, D, E, and F hereto attached.

W. G. McADOO,  
D. F. HOUSTON,  
JNO. SKELTON WILLIAMS,

*Reserve Bank Organization Committee.*

WASHINGTON, D. C., April 2, 1914.



Map showing the Location of the Twelve Federal Reserve Banks and the Boundaries of the Twelve Federal Reserve Districts as determined by the Reserve Bank Organization Committee

TABLE A.—Showing subscription to stock of Federal reserve banks by national banks, State banks, and trust companies, with area and population of each district.

[PART I.]

Dis- trict No.	Federal reserve cities.		Districts.		National banks March 4, 1914.			Including State banks and trust com- panies that have applied for mem- bership up to April 1, 1914.		
	Land area in square miles. <sup>1</sup>	Popu- lation. <sup>1</sup>	Num- ber of banks.	Capital and surplus.	6 per cent subscription.	Num- ber of banks.	Capital and surplus.	6 per cent subscription.		
1	61,976	6,552,691	446	\$165,529,010	\$9,931,740	446	\$165,529,010	\$9,931,740		
2	47,654	9,115,614	478	343,693,437	20,621,606	479	344,793,437	20,687,606		
3	40,527	7,932,065	800	216,340,213	12,960,412	801	216,550,213	12,969,013		
4	79,615	8,326,698	724	193,147,258	11,528,835	726	193,697,258	11,631,935		
5	152,931	8,519,310	475	195,084,483	6,303,869	484	199,054,683	6,543,281		
6	222,349	8,660,575	372	77,358,013	4,641,416	382	78,376,663	4,702,781		
7	164,362	2,355,923	984	211,969,338	12,664,100	999	219,198,760	6,219,324		
8	184,057	8,740,852	434	80,717,981	4,843,079	445	103,665,397	4,702,866		
9	444,226	5,188,730	687	78,381,081	4,702,866	687	78,381,081	4,702,866		
10	444,444	5,638,895	836	93,065,912	5,581,956	838	93,288,612	5,694,916		
11	438,177	5,853,919	726	82,063,123	5,520,187	732	83,901,523	5,654,091		
12	683,852	5,089,304	514	130,423,422	7,525,406	529	136,268,732	8,115,525		
	2,973,890	91,972,266	7,475	1,786,791,171	107,147,470	7,548	1,831,648,369	109,898,902		

<sup>1</sup> United States census of 1910.

TABLE A.—Showing amount due to and due from banks, amount of individual deposits and all deposits, also cash in vault, for all national banks in each Federal reserve district as of March 4, 1914.

[PART 2.]

District N. O.	Federal reserve cities.	Total due to banks.	Total due from banks.	Net balance due to banks.	Net balance due from banks.	Individual deposits.	All deposits.	Per capita deposit.	Cash in vault.
1	Boston.....	\$125,368,405	\$125,117,727	\$250,678	\$500,743,535	\$631,469,156	\$631,469,156	\$96	\$53,362,785
2	New York.....	863,414,285	192,806,668	670,607,617	1,191,533,728	2,061,858,058	2,061,858,058	228	359,715,324
3	Philadelphia.....	214,902,100	145,397,455	69,504,645	757,369,301	977,300,908	977,300,908	123	64,828,876
4	Cleveland.....	185,740,407	214,723,087	28,982,680	616,140,402	811,413,210	811,413,210	97	88,319,658
5	Richmond.....	71,963,300	72,966,368	1,003,077	317,680,653	369,592,281	369,592,281	47	25,524,898
6	Atlanta.....	39,867,677	67,490,108	27,622,431	215,745,240	282,395,823	282,395,823	30	18,754,030
7	Chicago.....	43,866,477	81,465,074	161,660,104	624,636,752	1,309,907,611	1,309,907,611	105	151,688,025
8	St. Louis.....	123,674,029	281,805,074	38,672,049	230,673,680	345,424,500	345,424,500	40	30,688,727
9	Minneapolis.....	80,661,109	80,601,860	24,179,746	389,176,267	413,356,013	413,356,013	61	24,614,957
10	Kansas City, Mo.....	146,753,666	134,831,665	11,872,061	365,956,318	521,323,116	521,323,116	92	24,524,040
11	Dallas.....	51,136,181	77,378,470	26,242,289	251,260,896	309,836,890	309,836,890	52	25,384,860
12	San Francisco.....	120,199,853	123,289,850	3,089,557	444,276,766	573,256,933	573,256,933	112	60,121,888
	Total.....	2,472,286,539	1,624,782,785	852,867,454	105,363,698	6,105,162,478	8,666,486,465	94	967,051,563

TABLE B.—Number of national banks on September 9, 1908, and August 9, 1913, with increase or decrease; also amount of capital stock and surplus, loans and discounts, and individual deposits (in thousands), with amount and percentage of increase or decrease.

	Number of national banks.			Capital and surplus.			Loans and discounts.			Individual deposits.			
	1903	1913	Increase or decrease.*	1903	1913	Increase or decrease.*	1903	1913	Increase or decrease.*	1903	1913	Increase or decrease.*	Per cent.
New York, N. Y.	43	36	-7	\$175,185	\$249,305	\$76,120	\$831,665	\$936,908	\$305,343	\$450,732	\$636,544	\$185,813	41
Chicago, Ill.	13	9	-4	35,625	69,050	30,425	181,416	339,084	157,668	126,552	202,335	76,983	63
Philadelphia, Pa.	34	32	-2	45,830	62,065	16,235	142,378	218,746	76,368	132,337	193,437	40,060	33
Boston, Mass.	32	32	0	46,836	48,061	1,225	156,869	169,873	33,003	118,870	171,337	52,467	45
Pittsburgh, Pa.	35	22	-13	45,200	48,514	3,314	115,086	129,802	14,716	86,146	113,796	27,650	32
San Francisco, Cal.	7	7	0	11,238	44,860	33,622	37,658	113,959	86,301	41,762	88,884	47,034	308
St. Louis, Mo.	7	7	0	25,910	29,140	3,230	39,313	109,161	69,849	28,468	41,360	12,888	32
Cincinnati, Ohio	13	8	-5	14,405	20,350	5,945	41,543	53,443	11,900	32,320	38,459	6,139	19
Baltimore, Md.	19	16	-3	18,926	19,760	834	47,222	63,703	16,481	32,191	44,547	12,356	38
Cleveland, Ohio	13	7	-6	15,372	13,710	-1,662	49,155	60,945	11,790	27,656	46,110	18,454	67
Minneapolis, Minn.	5	6	1	6,130	11,650	5,520	20,898	55,281	34,383	13,590	42,930	29,240	315
Kansas City, Mo.	6	12	6	3,855	11,650	7,795	38,735	69,673	30,938	27,085	40,600	13,515	50
Washington, D. C.	11	11	0	6,102	11,165	5,063	14,343	26,834	12,491	14,990	29,712	14,722	99
St. Paul, Minn.	6	4	-2	5,036	9,600	4,564	14,870	34,188	19,318	14,990	26,319	11,320	40
Richmond, Va.	5	6	1	2,970	9,434	6,464	11,372	34,732	23,360	9,688	24,331	14,723	153
Indianapolis, Ind.	7	5	-2	2,860	9,410	6,550	17,850	26,420	8,570	18,033	22,790	4,757	27
Atlanta, Ga.	4	6	2	2,310	8,600	6,290	10,128	26,658	16,528	6,702	20,842	13,138	140
New Orleans, La.	6	5	-1	6,790	8,225	1,435	17,390	24,487	7,097	16,575	20,611	4,036	24
Louisville, Ky.	8	8	0	6,497	8,225	1,728	16,800	25,553	8,753	10,540	20,611	10,070	97
Denver, Colo.	3	3	0	2,850	7,598	4,748	16,292	29,212	13,920	28,691	31,587	2,896	20
Houston, Tex.	6	6	0	2,520	6,675	4,155	6,820	23,612	18,689	6,794	22,597	15,903	233
Portland, Ore.	3	3	0	1,250	6,675	5,425	6,880	21,947	16,067	6,619	22,751	15,132	176
Omnaha, Neb.	4	7	3	3,168	6,900	3,732	16,020	32,816	16,790	14,618	27,731	13,121	90
Seattle, Wash. <sup>1</sup>	7	7	0	2,168	6,368	4,200	6,368	25,857	17,241	6,915	16,915	13,003	250
Fort Worth, Tex. <sup>1</sup>	5	6	1	1,400	5,360	4,100	8,016	25,857	17,241	11,707	28,351	16,634	135
Columbus, Ohio	6	8	2	1,865	4,950	3,085	4,813	15,507	10,704	3,934	11,587	7,773	199
Nashville, Tenn. <sup>1</sup>	4	5	1	3,270	4,673	1,403	11,639	17,429	5,790	12,982	21,597	9,015	72
Spokane, Wash. <sup>1</sup>	6	4	-2	2,389	4,198	1,809	7,760	17,335	9,485	10,632	14,799	8,627	140
Birmingham, Ala. <sup>1</sup>	2	2	0	815	3,114	2,299	4,847	16,086	11,209	6,367	16,436	10,070	158
Des Moines, Iowa	4	4	0	1,090	3,055	1,965	9,697	9,697	5,068	2,803	9,604	4,237	78
Charlotte, N. C. <sup>1</sup>	4	4	0	1,167	1,850	683	5,071	13,485	8,414	2,435	6,669	3,866	138
Columbia, S. C. <sup>1</sup>	2	2	0	750	1,825	1,075	2,029	7,311	5,283	2,002	6,062	3,060	83
Savannah, Ga.	2	2	0	975	1,600	625	2,090	3,339	1,249	703	5,062	3,060	153
Memphis, Tenn. <sup>1</sup>	4	3	-1	1,600	1,590	-10	7,990	5,523	-2,467	6,869	4,276	-2,593	87.7
Lincoln, Neb.	3	3	0	1,559	1,310	-249	3,040	6,314	-3,274	2,649	4,717	2,068	78
Kansas City, Kans.	2	2	0	1,470	1,800	-330	4,225	4,263	38	2,306	2,765	459	20

\* Not a reserve city in 1903.   
 † Nonreserve cities.   
 \* Minus (-) shows decrease; other changes show increase.

DECISION OF RESERVE BANK ORGANIZATION COMMITTEE.

TABLE C.—Total loans and discounts by geographical divisions, made by national banks in the cities named as of January 13, 1914. Compiled from special statements submitted to the Comptroller of the Currency.

	New England States.		Eastern States.		Southern States.		Middle Western States.		Western States.		Pacific States.	
	Amount.	Per cent.	Amount.	Per cent.	Amount.	Per cent.	Amount.	Per cent.	Amount.	Per cent.	Amount.	Per cent.
<b>Total loans.</b>												
New York.....	\$990,804,000	4.00	\$654,832,000	71.12	\$68,843,000	9.43	\$116,494,000	12.64	\$12,683,000	1.33	\$12,232,000	1.43
Chicago.....	305,498,000	.68	7,027,000	2.31	17,736,000	5.85	237,427,000	94.82	11,333,000	3.74	7,936,000	3.40
Philadelphia.....	219,044,000	1.72	186,994,000	86.10	9,393,000	4.29	16,013,000	7.31	1,580,000	.77	870,000	.79
Boston.....	190,973,000	78.14	18,137,000	9.50	4,779,000	2.50	19,771,000	10.33	1,419,000	.74	1,496,000	.79
Pittsburgh.....	126,358,000	.62	119,999,000	94.97	5,985,000	.47	4,410,000	3.49	332,000	.30	184,000	.15
San Francisco.....	104,896,000	.04	1,129,000	1.08	30,300,000	29.83	1,130,000	1.08	35,000	.03	102,322,000	97.72
St. Louis.....	97,237,000	1.19	3,765,000	3.82	13,533,000	13.07	80,298,000	77.12	4,701,000	4.58	495,000	.48
Kansas City, Mo.....	60,737,000	.08	3,666,000	5.87	6,419,000	9.55	38,101,000	62.63	21,804,000	33.43	594,000	.88
Cleveland.....	59,435,000	.47	50,932,000	85.63	6,891,000	11.59	1,359,000	2.29	6,000	.01	115,000	.11
Baltimore.....	55,081,000	1.20	49,061,000	89.07	314,000	.57	52,857,000	90.76	4,745,000	8.18	232,000	.45
Buffalo.....	52,290,000	4.10	2,145,000	4.10	4,017,000	7.68	4,858,000	8.52	150,000	.27	41,000	.07
Cincinnati.....	47,985,000	.40	1,935,000	1.95	20,000	.04	45,999,000	87.40	56,000	.11	60,000	.11
Los Angeles.....	38,018,000	.40	1,306,000	3.43	187,000	.48	32,157,000	84.62	2,751,000	7.23	46,709,000	97.34
St. Paul.....	35,721,000	.35	1,619,000	4.53	33,473,000	93.71	1,489,000	1.37	5,000	.01	1,462,000	3.84
Richmond.....	27,790,000	.04	26,620,000	95.79	915,000	3.29	2,172,000	6.59	280,000	.83	1,10,000	.08
Washington.....	26,452,000	.45	877,000	1.03	38,117,000	97.03	81,000	.29	24,000	.09	139,000	.50
Atlanta.....	25,032,000	61.69	77,000	.29	25,342,000	95.80	1,026,000	1.47	5,000	.02	.....	.....
Louisville.....	24,486,000	3.35	4,674,000	18.67	5,335,000	21.84	1,096,000	3.88	7,000	.03	358,000	1.43
Providence.....	23,950,000	3.25	568,000	2.32	181,000	.66	3,586,000	14.33	438,000	1.74	.....	.....
Seattle.....	23,659,000	778,000	22,134,000	92.42	180,000	.75	1,444,000	5.59	244,000	1.00	21,984,000	89.78
Albany.....	21,446,000	.....	205,000	.97	23,391,000	98.86	7,221,000	3.01	85,000	.35	52,000	.22
Houston.....	21,202,000	75.53	47,000	.21	15,000	.08	352,000	1.78	8,000	.04	20,984,000	97.89
Portland, Ore.....	19,731,000	.06	1,354,000	6.53	1,059,000	5.00	2,301,000	10.85	287,000	1.35	152,000	.01
Hartford.....	18,031,000	.....	314,000	1.68	19,123,000	96.92	251,000	1.28	130,000	.66	9,000	.05
Dallas.....	17,437,000	.....	171,000	.14	17,735,000	98.36	20,000	.....	.....	.....	.....	.....
New Orleans.....	17,437,000	.....	25,000	.14	17,735,000	98.36	271,000	1.50	.....	.....	.....	.....
Nashville.....	17,437,000	.....	16,659,000	95.54	17,17,000	98.10	562,000	3.22	5,000	.03	125,000	.72
Brooklyn.....	.....	.....	6,000	.07	7,913,000	99.20	58,000	.....	.....	.....	.....	.....
Memphis.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

NOTE.—The above statement has been compiled from special statements made to the Comptroller of the Currency showing all loans in the United States. Foreign loans are not included. The differences between this statement and the abstract of Jan. 13, 1914, are made up of foreign loans, bonds loaned and other minor items. The above classification by geographical groups, which has been observed in the reports of the comptroller's office for the past 13 years, is as follows: New England States: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut. Eastern States: New York, New Jersey, Pennsylvania, Delaware, Maryland, and District of Columbia. Southern States: Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky, and Tennessee. Middle Western States: Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Missouri. Western States: North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming, Colorado, New Mexico, and Oklahoma. Pacific States: Washington, Oregon, California, Idaho, Utah, Nevada, Arizona, and Alaska. \* Includes \$1,075,000 not localized.

TABLE D.—Showing bank and trust company credit balances with the national banks in some of the principal cities of the United States; also showing amounts loaned by the national banks in the same cities to their correspondent banks; also bought paper and collateral loans to noncustomers of the lending banks, securities owned, and cash reserve in vaults, as of dates named.

Cities.	Amount on deposit from all banks and trust companies through-out the United States, Feb. 14, 1914.	Amount loaned to all banks and trust companies on bills payable, and rediscounts including indirect loans with guarantees of directors, etc., Jan. 13, 1914.	Per cent loaned banks Jan. 13, 1914, to bank deposits throughout the United States, Jan. 13, 1914.	Bought paper, stock-exchange loans, etc., made by national banks to noncustomers throughout the United States, Jan. 13, 1914.	Bonds and securities (exclusive of bonds for circulation held by national banks, Jan. 13, 1914.	Reserve in vaults (specie and legal tenders), Jan. 13, 1914.
New York.....	\$742,386,939	109,397,052	7.92	\$983,603,618	\$186,827,533	\$313,586,128
Chicago.....	278,824,587	26,663,706	9.20	29,716,620	31,724,647	88,723,480
Philadelphia.....	173,584,687	6,899,243	3.95	38,289,466	37,837,539	43,280,788
Boston.....	97,126,156	3,095,480	3.80	47,402,893	19,948,013	32,641,707
St. Louis.....	90,430,968	14,271,230	15.78	16,840,487	6,336,699	26,890,868
Pittsburgh.....	1,368,363,317	109,397,052	7.92	396,083,406	281,684,421	506,131,319
Kansas City, Mo.....	79,314,345	710,415	8.89	16,808,600	37,863,645	24,301,181
San Francisco.....	64,834,438	118,944,099	94.36	4,889,294	4,033,117	8,763,944
Albany.....	49,899,183	3,286,831	7.19	13,886,432	17,899,369	12,633,313
Cleveland.....	39,523,280	276,032	0.70	1,815,045	8,340,938	4,786,442
Cincinnati.....	38,746,880	1,163,851	2.17	6,177,087	6,684,900	10,083,544
Minneapolis.....	32,593,282	1,955,816	6.00	7,675,667	8,859,630	8,859,630
Baltimore.....	27,421,904	2,630,604	8.37	2,449,339	13,281,317	7,286,848
Omaha.....	18,533,959	2,404,315	8.04	4,989,083	9,120,902	8,715,311
Los Angeles.....	16,290,131	5,768,762	31.12	3,907,878	2,675,002	4,596,702
St. Paul.....	12,616,553	1,374,958	8.44	2,267,638	5,212,186	8,176,088
Houston.....	11,750,499	792,694	4.95	12,637,337	8,086,166	6,426,886
Louisville.....	11,388,536	1,865,978	14.79	1,685,948	1,366,532	3,596,044
Buffalo.....	10,970,088	2,204,727	18.76	1,879,853	5,526,085	3,322,604
Richmond.....	8,427,674	1,095,459	9.96	3,268,005	13,297,773	4,471,788
Portland, Oreg.....	7,518,865	572,100	6.79	1,574,059	5,437,082	5,387,374
Seattle.....	7,229,470	602,837	8.02	3,064,266	4,937,661	4,654,524
New Orleans.....	6,237,387	1,386,677	22.21	1,234,109	5,587,233	2,830,769
Nashville.....	5,536,719	1,158,622	20.91	1,587,548	1,293,081	2,846,687
Washington.....	5,516,705	1,714,076	31.07	489,868	91,652	1,164,980
Atlanta.....	4,488,974	892,613	30.13	3,286,983	9,700,823	4,083,163
Brooklyn.....	4,017,811	10,000	0.25	4,124,945	1,406,350	1,886,487
Memphis.....	2,377,836	498,006	20.86	458,088	5,684,913	4,322,537
Providence.....	1,983,787	126,000	6.30	13,518,880	6,336,469	1,189,721
Hartford.....	835,334	9,850,001	.....	9,850,001	1,367,390	1,348,465

<sup>1</sup> Does not include reports of branches of Bank of California, N. B. A., in other cities. The cities included in the above list are all either central reserve or reserve cities, except the cities of Buffalo, N. Y.; Providence, R. I.; Hartford, Conn.; Richmond, Va.; Atlanta, Ga.; Memphis and Nashville, Tenn., which are not reserve cities.



TABLE E.—Statement showing population, capital and surplus, individual deposits, and loans and discounts of all national banks, as of March 4, 1914, in the 37 cities which asked to be designated as Federal reserve cities.

Location.	Popula- tion. <sup>1</sup>	Number of banks.	Capital and surplus.	Per capita.	Individual deposits.	Per capita.	Loans and discounts.	Per capita.
1. Boston.....	670,545	15	\$47,896,000	\$71	\$176,083,004	\$268	\$300,480,944	\$399
2. New York.....	4,766,833	25	249,508,000	52	771,724,999	161	1,029,272,480	217
3. Philadelphia.....	1,549,068	23	62,315,000	40	184,643,823	119	232,996,822	148
4. Cleveland.....	630,833	7	14,400,000	22	40,479,523	78	62,188,715	118
5. Cincinnati.....	363,591	8	20,350,000	55	39,154,843	108	55,701,638	153
6. Columbus.....	181,511	8	4,985,000	26	21,853,183	120	17,169,907	95
7. Pittsburgh.....	533,905	21	46,714,000	88	120,260,088	225	124,568,231	233
8. Wheeling.....	41,641	2	1,700,000	40	4,331,304	104	4,915,613	118
9. Baltimore.....	558,485	15	19,205,720	34	42,553,451	76	60,312,953	106
10. Washington.....	331,069	11	11,565,000	34	28,491,402	86	25,405,554	77
11. Richmond.....	127,688	7	9,314,992	73	28,708,884	201	48,835,044	379
12. Charlotte.....	24,014	5	1,850,000	74	4,578,573	183	6,785,057	109
13. Columbia.....	20,319	5	1,857,500	72	6,398,188	243	7,382,202	278
14. Atlanta.....	184,839	6	8,600,000	46	24,448,913	137	26,026,731	126
15. Savannah.....	65,064	2	1,600,000	24	1,485,161	22	3,244,635	50
16. Louisville.....	223,928	8	8,200,000	37	20,480,674	91	27,966,527	125
17. Birmingham.....	132,665	2	3,300,000	25	9,995,561	75	10,449,274	79
18. Montgomery.....	38,136	4	2,515,000	66	6,115,197	160	5,655,213	145
19. Chattanooga.....	44,604	3	2,975,000	68	10,109,680	228	11,665,619	269
20. Memphis.....	131,105	3	2,140,000	16	7,511,216	57	7,014,869	53
21. New Orleans.....	339,075	4	6,790,000	20	16,857,832	50	17,285,254	51
22. Chicago.....	2,185,233	9	69,090,000	31	211,598,247	97	335,830,323	144
23. St. Louis.....	687,089	7	29,140,000	42	61,685,268	90	108,138,744	149
24. Minneapolis.....	301,408	6	13,710,000	45	45,453,833	150	67,975,091	128
25. St. Paul.....	214,744	5	9,857,081	46	35,788,142	167	37,437,913	174
26. Kansas City, Mo.....	246,381	13	11,060,000	47	40,415,210	168	66,306,064	267
27. Omaha.....	124,096	7	6,570,000	53	27,268,869	220	32,848,397	265
28. Denver.....	213,331	6	7,545,000	35	34,124,272	160	28,022,377	131
29. Lincoln.....	43,973	4	1,330,000	32	4,489,212	101	6,066,192	128
30. Dallas.....	93,104	5	6,900,000	64	18,561,647	201	18,632,644	208
31. Fort Worth.....	73,312	7	4,275,000	58	11,639,158	159	12,632,408	172
32. Houston.....	176,800	9	7,125,000	90	25,013,981	317	25,923,057	339
33. San Francisco.....	416,913	6	45,135,000	108	95,756,484	230	120,377,028	288
34. Seattle.....	237,194	5	5,596,500	23	29,498,646	124	23,945,338	101
35. Portland.....	207,214	6	6,780,000	32	22,595,277	109	20,173,774	97
36. Spokane.....	104,402	5	4,175,000	40	16,156,850	155	13,985,084	134
37. Salt Lake City.....	92,777	6	3,482,500	37	11,103,182	120	11,701,043	127

<sup>1</sup> United States census of 1910.

TABLE F.—Statement showing population, capital and surplus, individual deposits, and loans and discounts of all reporting banks<sup>1</sup> (National, State, savings, and loan and trust companies), as of June 4, 1918, in the 37 cities which asked to be designated as Federal reserve cities.

Location.	Popula- tion. <sup>1</sup>	Number of banks and trust com- panies.	Capital and surplus.	Per capita.	Individual deposits.	Per capita.	Loans and discounts.	Per capita.
1. Boston.....	670,585	60	\$100,779,114	\$150	\$661,950,254	\$987	\$561,035,037	\$838
2. New York.....	4,766,883	143	563,221,701	118	2,866,331,069	601	2,304,506,633	483
3. Philadelphia.....	1,549,008	100	177,446,741	114	592,533,613	383	413,294,666	266
4. Cleveland.....	860,663	35	41,636,100	74	371,683,217	434	183,499,408	214
5. Cincinnati.....	363,591	39	31,813,107	87	98,178,794	270	98,846,791	244
6. Columbus.....	181,511	21	7,069,000	39	30,498,790	168	24,186,704	133
7. Pittsburgh.....	533,905	83	130,037,145	243	350,268,872	666	291,666,078	547
8. Wheeling.....	41,641	11	4,949,393	118	18,846,965	452	16,807,317	405
9. Baltimore.....	568,485	55	47,952,469	85	190,679,440	341	118,912,263	213
10. Washington.....	331,069	36	26,161,731	88	72,552,236	219	63,012,066	190
11. Richmond.....	137,628	26	16,310,955	131	35,371,136	277	50,004,972	333
12. Charlotte.....	34,014	7	2,690,000	78	6,616,642	194	9,242,636	271
13. Columbia.....	26,319	9	2,365,318	89	5,894,711	223	8,511,384	326
14. Atlanta.....	154,839	23	15,313,448	98	23,371,033	133	33,094,035	316
15. Savannah.....	65,064	16	8,129,005	125	20,622,523	316	28,061,700	431
16. Louisville.....	223,928	18	15,100,297	67	41,437,599	185	38,701,079	173
17. Birmingham.....	132,685	11	6,685,620	50	23,182,608	174	21,694,705	162
18. Montgomery.....	38,136	9	3,394,762	89	6,018,942	157	7,765,141	204
19. Chattanooga.....	44,604	10	4,294,114	96	15,166,950	340	16,355,760	366
20. Memphis.....	131,105	22	7,346,214	58	23,343,841	179	24,442,321	186
21. New Orleans.....	339,075	19	20,532,500	60	70,854,415	209	64,845,722	194
22. Chicago.....	8,185,233	53	151,832,639	69	633,486,933	313	690,798,067	315
23. St. Louis.....	687,659	44	78,233,000	105	305,443,737	339	333,283,655	333
24. Minneapolis.....	301,408	33	30,731,391	64	78,235,330	240	63,780,664	272
25. St. Paul.....	214,744	30	20,111,960,945	52	40,490,496	180	42,322,463	197
26. Kansas City, Mo.....	243,331	14	17,413,000	70	68,583,431	243	81,636,371	320
27. Omaha.....	129,096	10	8,163,000	65	28,038,694	228	34,989,696	282
28. Denver.....	213,381	15	11,043,551	53	57,371,171	269	41,368,143	194
29. Lihon.....	43,973	15	2,043,000	46	7,253,010	165	8,696,240	198
30. Dallas.....	99,104	13	9,997,000	108	24,808,891	249	27,513,633	289
31. Fort Worth.....	73,312	13	6,847,274	90	14,325,274	198	15,941,531	231
32. Houston.....	74,800	13	12,699,100	172	28,551,710	393	30,773,330	419
33. San Francisco.....	419,112	45	79,633,839	176	317,136,942	723	281,447,632	678
34. Seattle.....	237,194	32	11,367,020	48	67,537,323	283	43,963,007	206
35. Portland.....	207,414	32	12,697,718	58	56,865,140	274	44,132,644	213
36. Spokane.....	104,402	13	7,660,876	73	25,821,751	249	23,235,697	223
37. Salt Lake City.....	92,777	13	7,838,686	84	33,623,153	363	30,676,029	330

<sup>1</sup> United States census of 1910.

**ON APRIL 10, 1914, THE FEDERAL RESERVE BANK ORGANIZATION COMMITTEE MADE PUBLIC THE FOLLOWING STATEMENT RELATING TO ITS DECISION OF APRIL 2, 1914, DEFINING THE BOUNDARIES OF THE FEDERAL RESERVE DISTRICTS AND DESIGNATING THE LOCATION OF THE FEDERAL RESERVE BANKS.**

WASHINGTON, D. C., *April 10, 1914.*

Congress imposed on the committee the duty of dividing the country into not less than 8 nor more than 12 districts, and the location of a Federal reserve bank in each. Thirty-seven cities asked to be chosen. The committee could select at most only 12. Necessarily 25 cities had to be disappointed.

Following its policy declared at the very outset, the committee refused to be influenced by the purely local and selfish claims of cities or individuals, and discharged the duty imposed upon it by Congress after exhaustive investigation and study of the entire country, with unbiased minds and according to its best judgment. With so many conflicting claims, somebody had to judge. Congress constituted the committee a court and gave the Federal Reserve Board the power of review. Disappointed competitors should seek a remedy through the orderly processes the law prescribes.

Considerable comment has been occasioned by the failure of the committee to create districts suggested by New Orleans, with New Orleans as the location for a reserve bank; by Baltimore, with Baltimore as the location for a reserve bank; by Omaha, with Omaha as the location for a reserve bank; and by Denver, with Denver as the location for a reserve bank.

The committee realized that the division of the country into districts was far more important and complex than the designation of the reserve cities, and that the latter duty was subsidiary and relatively simple, waiving considerations of local pride or prestige. In arranging the districts the consideration of the character and growth of industry, trade, and banking, no less than the traditions, habits, and common understandings of the people was much more intimately involved.

It became clear, in the hearings, that comparatively few people realized, or seemed to realize, what the act was intended to accomplish; what the nature and functions of the reserve banks were to be; and how little change would occur in the ordinary financial relations

of the communities, the business establishments, and the individual banks.

Critics of the decision of the committee reveal misunderstanding in these directions, and either do not know, or appear not to know, that the Federal reserve banks are bankers' banks and not ordinary commercial banks; that they are to hold the reserves and to clear the checks of member banks, make rediscounts for them, and engage in certain open-market operations. As a matter of fact, the ordinary every-day banking relations of the community, of business men, and of banks will not be greatly modified or altered. The purpose of the system is to remove artificiality, promote normal relations, and create better conditions under which everybody will transact business.

Every city can continue to do business with individuals, firms, or corporations, within its own limits, or in its own region, or in any other part of the Union or the world in which it has heretofore done business.

Reserves are to be held in a new way and in new places, so far as this act controls them, but banking and business generally will no more be confined within districts than heretofore, and it is simply misleading for any city or individual to represent that the future of a city will be injuriously affected by reason of its failure to secure a Federal reserve bank. Every city which has the foundations for prosperity and progress will continue to grow and expand, whether it has such a reserve bank or not, and well-informed bankers, especially, are aware of this.

The facts which the committee had to consider will throw light on its decision in reference to these cities.

NEW ORLEANS' CLAIMS.

New Orleans selected a district extending from New Mexico to the Atlantic Ocean, including all of Texas, Louisiana, Mississippi, Alabama, Florida, Georgia, and that part of Tennessee south of the Tennessee River.

It was represented by Texas that it would do great violence to her trade to connect her with New Orleans. It was claimed, and evidence was submitted in support of the claim, that her trade was with her own cities or with Kansas City and St. Louis. In a poll of the banks of Texas made by the Comptroller of the Currency, 212 banks expressed a first choice, 121 a second choice, and 30 a third choice for Dallas. No bank in Texas expressed a first choice for New Orleans, only 4 a second choice, and 44 a third choice. The whole State protested against being related to New Orleans.

The banks of Alabama generally desired to be connected either with Birmingham or Atlanta, only three expressing a first choice for

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New Orleans. The banks of Georgia desired to be connected with Atlanta, none expressing a first or second choice for New Orleans, and only 12 a third choice. They represented that it would do violence to them to be connected with a city to the west and claimed that their relations were mainly with Atlanta or cities to the northeast. Of 44 banks in Florida 19 gave Atlanta as their first choice, 19 as their second choice, and 5 as their third choice. Only 5 expressed a first preference for New Orleans, and these were in the western corner, 4 a second choice, and 3 a third choice. No bank in Tennessee expressed a first or second choice for New Orleans, and only 2 a third choice, while 7 expressed a first choice for Atlanta, 14 a second choice, and 13 a third choice. Generally speaking, the only banks which desired to be connected with New Orleans and expressed a first preference for her were 25 of the 26 banks reporting in Louisiana, and 19 of the 32 in Mississippi. On a poll made from the comptroller's office of all banks expressing their preference as to the location for a Federal reserve city, 124 expressed a first preference for Atlanta, 232 for Dallas, and only 52 for New Orleans. The views of the bankers were supported by chambers of commerce, other business organizations, and by many business men.

It will thus be seen that if the committee was to give weight to the views of business men and bankers in the section of the country affected, to consider the opposition of the States of Texas, Alabama, Georgia, Florida, and Tennessee, and to be guided by economic considerations, it could not have designated New Orleans as the location for a reserve bank to serve either the western or the eastern part of the district that city asked for. The course of business is not from the Atlantic seaboard toward New Orleans, nor largely from the State of Texas to that city, and if Dallas and Atlanta had been related to New Orleans a better grounded complaint could and would have been lodged by them against the committee's decision than that made by New Orleans.

Some of the banking statistics which the committee had to consider throw light on the problem. It should be borne in mind that the committee could consider primarily only the statistics with reference to assenting banks. In this section of the country, as in most others, the assenting banks were the *national* banks. In March, 1914, the capital stock and surplus, loans and discounts, and individual deposits of the national banks in the three cities named, as shown by the sworn reports to the Comptroller of the Currency, were as follows:

	Capital and surplus.	Loans and discounts.	Individual deposits.
Atlanta.....	\$8,600,000	\$26,038,000	\$24,348,000
Dallas.....	5,900,000	18,622,000	18,551,000
New Orleans.....	6,730,000	17,285,000	16,857,000

20 STATEMENT OF RESERVE BANK ORGANIZATION COMMITTEE.

Even more significant are the statistics of growth from September, 1904, to March, 1914.

CAPITAL AND SURPLUS.

	September, 1904.	March, 1914.	Percentage of increase.
Atlanta.....	\$2,410,000	\$8,600,000	256
Dallas.....	2,876,000	5,900,000	120
New Orleans.....	6,250,000	6,730,000	8

LOANS AND DISCOUNTS.

Atlanta.....	\$10,329,000	\$26,038,000	152
Dallas.....	7,653,000	18,622,000	143
New Orleans.....	20,088,000	17,285,000	Decrease 13

INDIVIDUAL DEPOSITS.

Atlanta.....	\$9,931,000	\$23,348,000	145
Dallas.....	7,157,000	18,551,000	159
New Orleans.....	19,425,000	16,857,000	Decrease 13

The loans and discounts in the national banks of New Orleans at the time of the report, March 4, 1914, were less than those of the national banks of either Atlanta or Dallas.

While the committee could not figure on the resources of other than assenting banks which are in this section, the national banks, the following statistics of all reporting banks, including national banks, State banks, and trust companies, as of June 4, 1913, were regarded as significant and were given consideration:

Atlanta reported capital stock and surplus \$15,313,000, or \$98 per capita; Dallas \$9,997,000, or \$108 per capita; and New Orleans \$20,532,000, or \$60 per capita. Individual deposits, per capita, Atlanta, \$183; Dallas, \$269; New Orleans, \$209.

The loans and discounts for all reporting banks for the three cities were as follows: Atlanta, \$33,494,000, or \$216 per capita; Dallas, \$27,517,000, or \$299 per capita; New Orleans, \$64,845,000, or \$194 per capita.

The committee found that the total loans and discounts made by national banks in the cities named in the 13 Southern States on January 13, 1914, were as follows:

Atlanta.....	\$26,117,000
Dallas.....	19,123,000
New Orleans.....	19,477,000

while the total loans made by the national banks of Dallas throughout the entire United States on the date mentioned exceeded the loans made by the national banks of New Orleans.

Special reports, made under oath to the Comptroller of the Currency also show that on February 14, 1914, the credit balances of the banks

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and trust companies in the 13 Southern States with the national banks of Dallas exceeded in amount the credit balances of all banks and trust companies in these same States with the national banks of New Orleans.

In view of the comparisons and criticisms from New Orleans in connection with the designation of Dallas, Atlanta, and Richmond, and the omission of New Orleans and Baltimore, the following table is instructive:

*National bank statistics for States of Texas, Virginia, Maryland, Georgia, Louisiana, and Mississippi as of March 4, 1914.*

[According to sworn reports made to the Comptroller of the Currency.]

	Area (square miles).	Popula- tion, cen- sus 1910.	Capital and surplus.	Individual deposits.	Loans and discounts.
State of Texas (including Dallas).....	265,780	3,896,542	\$76,785,584	\$197,663,338	\$215,114,326
State of Virginia (including Richmond).....	42,450	2,061,612	29,732,696	90,887,858	107,410,063
State of Maryland (including Balti- more).....	12,210	1,295,346	28,267,420	83,217,376	91,326,942
State of Georgia (including Atlanta)....	59,475	2,609,121	24,479,735	51,382,061	61,852,579
State of Louisiana (including New Orleans).....	48,720	1,656,388	12,128,866	32,000,521	34,804,354
State of Mississippi.....	46,810	1,797,114	5,168,192	17,045,324	13,669,200

From the above statement it will be seen that in each item, capital and surplus, individual deposits, and loans and discounts, the national banks of Virginia, including Richmond, largely surpass the national banks of Maryland, including Baltimore.

The capital and surplus of the national banks of the State of Virginia are 60 per cent greater than the capital and surplus of the national banks of the States of Louisiana and Mississippi combined, including the city of New Orleans, while the loans and discounts by the national banks of Virginia are more than three times as great as the loans and discounts in the national banks of Louisiana, including New Orleans.

While the capital and surplus of the national banks of Georgia largely exceed the combined capital and surplus of the national banks of the States of both Mississippi and Louisiana, the loans and discounts made by the national banks of Georgia exceed by \$13,000,000 the loans and discounts of all the national banks of Louisiana and Mississippi combined, including the city of New Orleans.

The capital and surplus of the national banks of Texas amount to four times as much as the capital and surplus of the national banks of the States of Louisiana and Mississippi combined, and the individual deposits in the national banks of Texas also amount to about four times as much as the individual deposits of all national banks in Louisiana and Mississippi, the only States from which New Orleans received as much as half a dozen votes as first choice for the location for a Federal reserve bank.

KANSAS CITY DISTRICT.

The region in the middle and far West presented problems of difficulty. Careful consideration was given to the claims of Omaha, Lincoln, Denver, and Kansas City, which conflicted in this region. Denver asked for a district which included Idaho, Montana, Utah, Wyoming, Colorado, New Mexico, and the eastern two-thirds of Arizona and Texas, Kansas and Nebraska west of the one-hundredth meridian, and the Deadwood portion of South Dakota. The district gave approximately the minimum capital provided by law. Of the territory included in this district Montana unanimously requested to be connected with Minneapolis or Chicago, saying that she had little or no trade relations with Denver. Idaho desired to go to Portland or San Francisco; Arizona preferred San Francisco, and the greater part of New Mexico asked for Kansas City. Western Texas, Kansas, and Nebraska unanimously protested against going to Denver. Kansas desired Kansas City; Nebraska preferred Omaha or Lincoln; and Texas wanted either a Texas city or Kansas City or St. Louis.

In the poll of banks, Denver received 136 first-choice votes, of which 112 were from Colorado and 12 from Wyoming. With Montana, Idaho, Arizona, Texas, Kansas, and Nebraska in opposition, it was clearly impossible to make a district with Denver as the location of a bank. Part of the territory asked to be assigned to San Francisco and the other part to Minneapolis or Kansas City.

Omaha asked for a district embracing western Iowa, all of Nebraska, part of South Dakota, part of Kansas, Colorado, Utah, Wyoming, Idaho, and Montana. All but eight of the banks in South Dakota insisted upon being connected with Minneapolis; Iowa desired to go to Chicago; Kansas practically unanimously voted for Kansas City; Montana protested against any other connection than Minneapolis or Chicago. The preferences of the other States have already been indicated.

Of the 218 banks which expressed a first preference for Omaha, 181 were from Nebraska. The committee had to consider the State of Oklahoma and part of Missouri in connection with this region, and in district No. 10, 497 banks expressed a first preference for Kansas City; western Missouri, Oklahoma, and Kansas, and part of New Mexico, especially asked for this connection. Thirty-seven banks in Colorado gave Kansas City as second choice and 26 gave Omaha.

It seemed impossible to serve the great section from Kansas City to the mountains in any other way than by creating a district with Kansas City as the headquarters, or to provide for the north-western section except by creating a district with Minneapolis as headquarters. The only other thing that could have been done with Nebraska under the conditions which presented themselves

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was to relate her to Chicago, and this seemed to be inadvisable in the circumstances. The Kansas City banks serve a very distinctive territory and will serve it more satisfactorily than St. Louis could have done. The relations of that territory on the whole are much more largely with Kansas City than with any other city in the Middle West with which it could have been connected. It will, of course, be recognized by those who are informed that of the four cities Kansas City is the most dominant banking and business center. The following statistics as of March, 1914, will throw light on the situation:

	Capital and surplus.	Loans and discounts.	Individual deposits.
Kansas City.....	\$11,660,000	\$66,205,000	\$40,415,000
Omaha.....	6,570,000	32,848,000	27,258,000
Denver.....	7,545,000	28,022,000	34,124,000
Lincoln.....	1,330,000	6,066,000	4,439,000

The statistics of growth during the nine years from September, 1904, to March, 1914, are significant:

## CAPITAL AND SURPLUS.

	September, 1904.	March, 1914.	Percentage of increase.
Kansas City.....	\$3,900,000	\$11,660,000	199
Omaha.....	3,880,000	6,570,000	69
Denver.....	3,325,000	7,545,000	127
Lincoln.....	768,000	1,330,000	73

## LOANS AND DISCOUNTS.

	September, 1904.	March, 1914.	Percentage of increase.
Kansas City.....	\$35,598,000	\$66,205,000	86
Omaha.....	16,218,000	32,848,000	102
Denver.....	14,146,000	28,022,000	98
Lincoln.....	3,820,000	6,066,000	58

## INDIVIDUAL DEPOSITS.

	September, 1904.	March, 1914.	Percentage of increase.
Kansas City.....	\$30,730,000	\$40,415,000	31
Omaha.....	15,728,000	27,258,000	73
Denver.....	27,798,000	34,124,000	22
Lincoln.....	3,283,000	4,439,000	35

The loans and discounts of *all* reporting banks and trust companies in Kansas City on June 4, 1913, amounted to \$91,686,000, exceeding by about \$7,000,000 the total loans and discounts of all banks and trust companies in the cities of Omaha, Denver, and Lincoln combined.

The loans and discounts of the national banks alone in Kansas City also exceeded the sum total of the loans and discounts of all national banks in the cities of Omaha and Denver combined.

The great preponderance in the movement of trade in district No. 10 is to the east. In order to place the Federal reserve bank for

that region in Denver it would have been necessary to disregard these facts and the opposition and earnest protests of banks, both national and State, throughout the district.

#### THE RICHMOND DISTRICT.

The committee named as cities for the location of Federal reserve banks New York, Chicago, Philadelphia, St. Louis, Boston, and Cleveland. In population these are *the six largest* cities in the United States; their geographical situation and all other considerations fully justified their selection.

San Francisco and Minneapolis were the first choice of the great majority of the national banks in their respective sections, and their financial, industrial, and commercial relations and other factors entitled them to be chosen. Their selection appears to have evoked no criticism, but to have received general approval. Conditions relating to the Kansas City, Dallas, and Atlanta districts have been dealt with.

For the territory from eastern Georgia to the Pennsylvania line, the committee, after fully considering all the facts, decided to create a district with the Federal reserve bank at Richmond. South Carolina and North Carolina had protested against being connected with a bank to the south or west. They said that their course of trade was northeast. It seemed undesirable to place a bank in the extreme northeastern corner or at Baltimore, not only because of its proximity to Philadelphia, but also because the industrial and banking relations of the greater part of the district were more intimate with Richmond than with either Washington or Baltimore. The States of Maryland, Virginia, West Virginia, North and South Carolina, and the District of Columbia had to be considered. North Carolina, South Carolina, and Virginia preferred to be connected with Richmond. West Virginia was divided in its preferences; Maryland and the District of Columbia, of course, desired Baltimore or Washington. In the poll of banks made directly by the comptroller's office, Richmond received more first-choice ballots than any other city in the district—167 against 128 for Baltimore, 35 for Pittsburgh, 28 for Columbia, S. C., 37 for Cincinnati, and 25 for Washington, D. C. Of the remaining 21 votes, 19 were for Charlotte, N. C., and 2 for New York. Leaving out the States of Maryland and Virginia, Richmond received from the rest of the district three times as many first-choice votes as were cast for Baltimore.

District No. 5 is composed of the States of Maryland, Virginia, West Virginia (except four counties), North and South Carolina, and the District of Columbia. These States have always been closely bound together commercially and financially and their business dealings are large and intimate. The reports made to the Comptroller of the Cur-

rency on March 4, 1914, by all the national banks in each of these States show in every essential respect that the business of the national banks of Virginia, including Richmond, is greater than the business of the national banks of Maryland, including Baltimore, or any other of the five States embraced in district No. 5, as appears in the following table:

	Capital, surplus, and undivided profits.	Loans and discounts.	Total individual deposits.
Virginia.....	\$33,544,631	\$107,410,083	\$90,887,858
Maryland.....	31,390,057	91,326,942	83,217,376
West Virginia.....	18,209,346	56,789,538	61,421,332
North Carolina.....	13,527,086	44,061,033	36,051,154
South Carolina.....	10,332,439	28,890,456	23,330,916
District of Columbia.....	12,685,411	26,253,432	29,520,853

Advocates of New Orleans have criticized the decision of the organization committee and have given out comparative figures as to New Orleans, Richmond, and other cities which are incorrect and misleading. An analysis and study of the actual figures will be found instructive and can lend no support to the claims of New Orleans.

From the sworn special reports recently submitted to the Comptroller of the Currency, it appears that the national banks in Richmond were lending in the 13 Southern States, on January 13, 1914, more money than was being loaned in those States by the national banks of any other city in the country except New York. The total loans and discounts in the 13 Southern States by the four cities referred to are as follows:

Richmond.....	\$33,473,000
Baltimore.....	6,891,000
New Orleans.....	19,477,000
Washington.....	915,000

The figures also show that in these portions of district No. 5 *outside* of the States of Virginia and Maryland the Richmond national banks are lending *twice as much money as all the national banks in Baltimore and Washington combined*. They also show that although Richmond is not a reserve city, the banks and trust companies in the 13 Southern States had on deposit in the national banks of Richmond on February 14, 1914, \$9,876,000, or slightly more than the banks of this section had on deposit in the city of Baltimore, and four times as much as they carried in Washington, although these two cities have long enjoyed the benefits of being reserve cities. That southern banks should carry larger balances in Richmond, where they could *not* be counted in their reserves, rather than in Baltimore or Washington, where they could be counted, is suggestive.

The figures show that the capital and surplus of all reporting banks—national, State, and savings, and trust companies—per capita, in Richmond, as of June 4, 1913, was \$131; in Baltimore, \$85; in Washington, \$88; and in New Orleans, \$60, while the loans and discounts made by *all* banks and trust companies in Richmond, on the same date, amounted to \$393 per capita, against \$190 in Washington, \$213 in Baltimore, and \$194 in New Orleans.

The amount of money which banks and trust companies *in the various parts of the country* carried on deposit with Richmond, a non-reserve city, on February 14, 1914, amounted to \$10,970,000, or nearly twice as much as the balances carried by outside banks with the national banks of Washington, which on the same day amounted to \$5,516,000, and one and one-half times as much as they carried on the same day with the national banks of New Orleans, a reserve city.

The statistics furnished the organization committee show that on March 4, 1914, the capital and surplus of the national banks of Richmond, per capita, amounted to more than *twice as much* as the capital and surplus, per capita, of the national banks of either Baltimore or Washington, and three and a half times as much as New Orleans, while the individual deposits of the national banks of Richmond amounted to \$201 per capita, against \$86 for Washington and \$76 for Baltimore and \$50 for New Orleans. The loans and discounts in the national banks of Richmond on the same date were reported at \$279 per capita, against \$77 for Washington, \$108 for Baltimore and \$51 for New Orleans.

Especially significant are the following statistics showing the growth in capital and surplus, loans and discounts, and individual deposits of national banks in the four cities named:

## CAPITAL AND SURPLUS.

	September, 1904.	March, 1914.	Percentage of increase.
Richmond.....	\$3,115,000	\$9,314,000	199
Washington.....	6,215,000	11,365,000	83
Baltimore.....	18,282,000	19,205,000	5
New Orleans.....	6,250,000	6,730,000	8

## LOANS AND DISCOUNTS.

	September, 1904.	March, 1914.	Percentage of increase.
Richmond.....	\$12,946,000	\$35,593,000	175
Washington.....	15,018,000	25,405,000	69
Baltimore.....	48,755,000	60,312,000	23
New Orleans.....	20,088,000	17,255,000	Decrease 13

## INDIVIDUAL DEPOSITS.

	September, 1904.	March, 1914.	Percentage of increase.
Richmond.....	\$11,257,000	\$25,705,000	128
Washington.....	20,017,000	28,491,000	42
Baltimore.....	40,910,000	42,553,000	4
New Orleans.....	19,425,000	16,857,000	Decrease 13

In other words, the figures show that the national banks of Richmond were lending on March 4, 1914, *twice as much* money as all the national banks in the city of New Orleans, and 40 per cent more than all the national banks of Washington.

In the original decision of the committee the various economic and other factors which entered into and determined the committee's action were enumerated and need not be repeated here. This statement is made for the purpose of disclosing some of the details which influenced the Committee's findings.



